

The Relationship between Internal Service Quality and Organizational Performance in Iran's Ministry of Sports and Youth

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ABSTRACT

The purpose of this study was that the relationship between internal service quality and organizational performance from the perspective of Ministry of sports and youth sports experts to review. The research method in this study was Descriptive and correlation method. Sports experts of Ministry of Sports and Youth have established Statistical population of research that they all participated in the study. For this purpose, Di Xie's (2005) Internal Service Quality questionnaire And Cho's Organizational Performance questionnaire (2009) was used. Reliability of questionnaires after a pilot study using Cronbach's alpha test, respectively ($\alpha=0/81$) and ($\alpha=0/82$) were obtained. Descriptive and inferential statistics methods for data analysis were used. The findings showed that between internal service quality and organizational performance in sports experts of Ministry of Sports and Youth, there is significant positive correlation ($r_s=0/421$, $p<0/01$). Also among internal service quality levels, positive relationship between internal service quality in organizational level and organizational performance was significantly ($r_s=0/627$, $p<0/01$). The research findings on the importance of internal service quality and its levels as one of the factors affecting performance level increase Ministry of Sports and Youth has stressed. Thus, leaders and human resource managers of sports organizations and especially the Ministry of Sports and Youth, must fit the strategic plans through designing and implementing the activities of the organization, improving internal service quality in order to provide improved organizational performance.

KEYWORD: Internal Service Quality, Organizational Performance, Ministry of Sports and Youth.

1. INTRODUCTION

Nowadays, organizations seek to improve their performance through increasing the quality of their services. As many researchers contend, organizations need to deal with both internal and external customers [1]. Successful organizations need to emphasize the quality of services offered to both internal and external customers. Such organizations are astute enough to predict the changing needs of their customers, to concentrate on their organizational capability to offer high-quality services, and to see the quality of internal service as a tool to gain competitive advantage [2].

The concept of internal service quality was first introduced by Sasser and Arbeit (1976) who considered the employees as internal customers. They contend that providing the external customers with quality services requires the provision of satisfaction and quality services to internal customers [3]. Di Xie (2005) asserts that internal service quality is the degree to which an employee is content with the services provided by internal providers [4]. Moreover, internal service quality refers to what employees feel about the quality of services they receive from or offer their colleagues [5]. Based on Haskett et al.'s (1994) model of service-profit chain, internal service quality functions as a link to connect employee satisfaction and loyalty to customer satisfaction, loyalty as well as organizational growth and profit [6].

Hallowel et al. (1998) contend that organizations need to improve the quality of their internal service so that they may provide external customers with better quality services [5]. ZhenYou (2003) asserts that an important aspect of internal service quality is to see how employees of a division provide their colleagues with services. Thus, the quality of internal services affects employee satisfaction [7]. Meng Xia (2003) contends that internal high-quality services increase employee satisfaction, which results in external customers' satisfaction and increased organizational performance [8]. Liang Wang (2010) believes that attention to internal service quality is the starting point for employees', stakeholders', and external customers' satisfaction and eventually improved organizational performance [3]. Davis (1994) emphasizes that internal service quality is one of the main components of organizational service quality strategies, which can help reduce costs and profitability in the long run [9].

Bellou and Andronikidis (2008) conducted a study on 16 big banks in Greece and reported that improved internal service quality in the banks affected the behavior and satisfaction of their external customers, which eventually improved banks' performance [10]. Yue Xia (2009) reported that internal service quality and internal

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customer satisfaction contribute to external customer satisfaction, which eventually influences organizational growth and profitability [11]. Qin Nan (2009) conducted a study in Taiwanese insurance companies and found a significant positive correlation between different levels of internal service quality, employee job satisfaction and organizational performance [12]. Liang Wang (2010) conducted a study on Taiwan's hotel industry and reported that internal service quality significantly influenced organizational performance. The results also showed a significant difference in perceived internal service quality in these hotels between male and female employees [3].

Studies on service quality have significantly increased in the domains of sports industry including sports centers, professional sports, physical fitness programs, spectators, leisure time, healthy recreations and tourism. Sports directors, as with industry directors, understand that quality service and customer satisfaction are keys to organizational success [13]. Die Xie (2000), however, contends that sports organizations typically seek to evaluate service quality from the viewpoint of external customers so that they may overlook internal service quality and employee interactions [4].

Sports organizations are now to bear more weighty responsibility due to increases in sports activities and their role in people's health as well as changes in public needs. They primarily aim to provide service quality to their customers. Internal service offered to employees can influence the quality of service offered to external customers, which significantly affects organizational performance [13].

The Iran's Ministry of Sports and Youth is the result of the mergence of Physical Education Organization and Iran's National Youth Organization. The ministry is the main institution to manage sports activities in the country, and it has established a broad relationship with sports and non-sports organizations, both national and foreign. Considering its responsibilities about sports, youth affairs and organizational goals, the ministry needs to offer quality services to both internal and external customers. Research on the issue of quality in sports in Iran has mainly focused on the quality of service from the viewpoint of external customers. Examples are Ahmadi's (2008) and Bahlake et al.'s (2008) studies [14,15]. Besides, the scarce previous studies in sports sector have investigated athletic performance [16], sports leagues [17] and coaches [18]. Thus, it seems necessary to conduct a study to provide a more transparent description of organizational performance and its associated factors in Iran's sports organizations. The present study may offer the opportunity to both HR management and employees to build an understanding of internal service quality. The study aims to investigate the relationship between internal service quality and organizational performance from the viewpoint of sports experts working with the Ministry of Sports and Youth. The results would be used to offer suggestions for improvements in internal service quality in sports organizations.

2.MATERIALS AND METHODS

The method of the research is descriptive and correlational, which is conducted as a field study. The population of the study consisted of all sports experts with the Ministry of Sports and Youth. The sample size was considered equal to the population ($N=280$). The data was collected using Internal Service Quality Questionnaire developed by Di Xie (2005) and Organizational Performance Questionnaire developed by Cho (2009). The data was collected in three steps. First, a demographic data sheet was used to collect the data on personal information including age, sex, level of education and work experience. Second, Internal Service Quality Questionnaire was administered to the participants. The scale comprises 21 items on a 7-point Likert scale. Third, Organizational Performance Questionnaire was administered to the participants. The scale comprises 12 items on a 7-point Likert scale. The validity of the questionnaires were approved by a few professors of management. The reliability of the questionnaires was also calculated using Cronbach alpha formula, which yielded a reliability coefficient of $\alpha=0.81$ for Internal Service Quality Questionnaire and $\alpha=0.82$ for Organizational Performance Questionnaire. As to the statistical measures, descriptive statistics including frequency, percentage, mean, standard deviation and tabulations were used to describe the data. Inferential statistics including Spearman correlation formula was used to test the hypotheses.

3.RESULTS

The results showed that the participants were 35 years old on average. 87.9 per cent of the participants had B.S or higher degrees and 80.1 per cent had more than 5 years of work experience. As shown in Table 1, the mean scores of internal service quality were 3.450 at the individual, 2.604 at the division and 2.526 at the organizational levels. Maximum internal service quality score was found to be 2.738 out of 7.

Table 1. Description of internal service quality based on experts' opinions

Statistic variable	Mean	Std. Deviation	Minimum	Maximum
Internal Service Quality at the Individual Levels	3.450	0.641	2.5	6.3
Internal Service Quality at the Division Levels	2.604	0.721	2	5.75
Internal Service Quality at the Organizational Levels	2.526	0.763	2.40	5.38
Total Internal Service Quality	2.738	0.669	2	5.33

As shown in Table 2, the mean score of organizational performance was 2.448 out of 7.

Table 2. Description of organizational performance based on experts' opinions

Statistic variable	Mean	Std. Deviation	Minimum	Maximum
Organizational Performance	2.448	0.586	2.25	6

Since the data did not show a normal distribution, Spearman correlation test was run to analyze the data. As illustrated in Table 3, the results of correlation analysis showed a significant positive relationship between internal service quality and organizational performance from the viewpoint of sports experts working with the Ministry of Sports and Youth ($r_s=0.421$, $P<0.01$). In other words, there is a significant positive correlation between increased internal service quality and organizational performance of the Ministry of Sports and Youth. The results, however, revealed there was a significant correlation between internal service quality at the individual level and organizational performance ($r_s=0.186$, $P<0.05$). There was also a significant relationship between internal service quality at the division level and organizational performance ($r_s=0.162$, $P<0.05$). A significant positive correlation was also found between internal service quality at the organizational level and organizational performance ($r_s=0.627$, $P<0.01$).

Table 3. Relationship between the levels of internal service quality and organizational performance

	Organizational Performance		
	N	r	P
Internal Service Quality at the Individual Levels	280	0.186	0.005
Internal Service Quality at the Division Levels	280	0.162	0.014
Internal Service Quality at the Organizational Levels	280	0.627	0.000
Total Internal Service Quality	280	0.421	0.000

4.conclusion

The issue of quality is one of the major challenges that organizations, particularly service organizations, face. The quality of services is typically investigated in terms of the viewpoint of external customers. The introduction of the two concepts of internal marketing and internal service quality has given a role to employees in the evaluation of service quality. Internal service quality is one of the main components contributing to the efficiency of modern dynamic organizations, particularly sports organizations. Therefore, the present study set to investigate the relationship between internal service quality and organizational performance from the viewpoint of sports experts working with the Ministry of Sports and Youth.

The results showed a significant positive correlation between internal service quality at the individual level and organizational performance. This is consistent with the findings of Yue Xia (2009), Qin Nan (2009) and Liang Wang (2010) (11,12,3). The importance of internal service quality has long been recognized in industrial and business sectors but recently noticed in sports organizations, particularly those in Iran. With regard to the importance of internal service quality at the individual level, Liang Wang (2010) contends that the key to hotel industry success in Taiwan is the training that employees receive on how to provide quality service to their colleagues [3]. There are several factors that affect internal service quality in an organization. Die Xie (2005) refers to organizational commitment as one of the most significant factors in improving internal service quality within an organization [4]. Moreover, Heskett et al. (1994) refer to employee satisfaction and loyalty and Qin Nan

(2009) relates employee job satisfaction as significant factors contributing to internal service quality [6,12]. Since providing employees with good-quality service is the starting point of effectuating internal service quality, which may affect organizational performance, it is recommended that directors and HR managers with the Ministry of Sports and Youth provide a suitable context for improving the services offered to sports experts through addressing barriers and factors contributing at the individual level.

The results showed a significant correlation between internal service quality at the division's level and organizational performance. This is consistent with the findings of Yue Xia (2009), Qin Nan (2009) and Liang Wang (2010) [11,12,3]. Having specialized divisions is an important characteristic of modern organizations. Zhen You (2003) contends that the quality of services provided to a division by another division in the organization contributes to organizational performance [7]. Hallowel et al. (1996) categorize the factors affecting the service quality provided by different divisions within an organization into fiscal and non-fiscal factors. They contend that though financial incentives influence the quality of services offered to the employees, non-fiscal factors such as setting divisional goals consistent with organizational ones, authority to make decisions and good relations with other divisions contribute to the service provided by a division to a greater degree [5]. Thus, it is recommended that directors of the Ministry of Sports and Youth pay greater attention to the quality of services provided by different organizational divisions. In this regard, they may develop training programs for divisions' directors, in-service training, fiscal and non-fiscal incentives to improve the quality of services offered by different divisions within the organizations.

The present findings also showed a significant correlation between internal service quality at the organizational level and organizational performance. This is consistent with the findings of Bellou and Andronikidis (2008), Yue Xia (2009), Qin Nan (2009) and Liang Wang (2010) [10,11,12,3]. Internal service quality is the outcome of the services provided by individual employees and organizational divisions [4]. Meng Xia (2003) contends that internal service quality at the individual and division's levels would be effective when the services are supported and utilized in all organizational divisions [8]. Liang Wang (2010) asserts that improved internal service quality in the organization can improve job performance, reduce costs and eventually improve organizational performance in the long run [3]. Considering the importance of internal service quality at the organizational level, directors and HR managers at the Ministry of Sports and Youth are recommended to attempt to support and internalize internal service quality as part of their organizational culture. Making changes in different organizational divisions including changes in organizational structure as well as reward and promotion systems can help improve internal service quality and eventually improve performance in the ministry.

The results revealed a significant correlation between internal service quality and organizational performance. This is consistent with the findings of Yue Xia (2009), Qin Nan (2009) and Liang Wang (2010) [11,12,3]. Researchers consider internal service quality as one of the most important aspects of service quality strategies that reduce costs and increase profits in the long run. Providing good-quality service for the employees considerably affects the interaction between the employees and external customers. Internal customers constitute a cycle that can influence the external customers' satisfaction and contribute to organizational success. Internal service quality, which affects the factors contributing to the service quality offered to external customers, depends on the supports provided by organizational directors, particularly HR managers. Considering the role of sports in both physical and mental development of individuals and in economic development as an industry, it seems necessary to develop service quality in sports organizations. Therefore, directors and HR managers at the Ministry of Sports and Youth are recommended to improve internal service quality through developing strategic plans consistent with their organizational activities.

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